

**DETERMINATION AND FINDINGS FOR A  
SOLE SOURCE PROCUREMENT**

**Contract No:** DCHT-2013-C-0150  
**Caption:** Quality Improvement Organization  
**Proposed Contractor:** Delmarva Foundation for Medical Care, Inc.  
**Program Agency:** Department of Health Care Finance

**FINDINGS**

**1. AUTHORIZATION:**

D.C. Official Code §2-354.04, 27 DCMR 27 Sections 1304.2, 1305.1 and 1701

**2. MINIMUM NEED:**

The Department of Health Care Finance (DHCF) has an immediate need for a contractor to provide continuing Quality Improvement Organization (“QIO”) utilization review and quality improvement activities for the District’s fee-for-service Medicaid program while services are transitioned to a new provider selected under competitive award DCHT-2013-R-0030.

The requirement for this contractor is set forth in 42 CFR Part 456, which requires all states and the District of Columbia to have a QIO contractor to provide a statewide utilization program for Medicaid recipients. Specifically, pursuant to federal regulations under 42 CFR Part 456, the contractor must certify admission to hospitals and institutions. Moreover, for Long Term Acute Care (LTAC) hospitals and rehabilitation facilities, the contractor must provide concurrent recertification to ensure that the beneficiary meets the criteria for continued inpatient care. The District is penalized for failure to have a Medicaid utilization program in place.

**3. ESTIMATED REASONABLE COST:**

The estimated fair and reasonable price to provide the required services during the contract extension period November 5, 2013 through January 31, 2014 at the rate of \$332,000.00 per month. The estimated price has been determined fair and reasonable based on the fact that the unit prices for the sole source contract are to be the same as those paid by the District during the base period (August 1, 2013 through October 31, 2013) of the Emergency Procurement Contract No. DCHT-2013-EC-0142 determined to be fair at the time of the contract’s award.

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**4. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:**

According to the DC State Plan (4.14), DHCF needs to ensure that Medicaid recipients receive medically justified medical care. All hospital inpatient admissions, long term care admissions, surgical procedures (inpatient and outpatient), optical services, hearing services, and durable medical equipment need to be authorized as medically justified. Utilization and medical reviews are performed by a Quality Improvement Organization (QIO) designated under 42 CFR Part 456 to safeguard against unnecessary or inappropriate use of Medicaid Services and to be in compliance with the Center for Medicare and Medicaid Services (CMS) rules.

Delmarva Foundation for Medical Care, Inc. (Delmarva), a Federally authorized QIO, was awarded an Emergency Contract No. DCHT-2013-EC-0142, during the selection process for a competitive solicitation.

The purpose of this sole source award is to ensure continued compliance with Federal Medicaid rules without interruption while the contract services are transitioned to the selected Contractor. The transition process will take approximately 90 days to complete. The main factors in transitioning the QIO contract are:

- i. Transferring patient files from the current QIO vendor to the new QIO vendor;
- ii. Establishing policies and procedures for each CLIN of the contract;
- iii. Notifying and educating the providers on the new process and/or software;
- iv. Enrolling the new QIO staff into the District's Medicaid Management Information System (MMIS); and
- v. The new QIO passing a Readiness Assessment.

Delmarva shall provide the new contractor with the following:

- i. Transition plan to the new vendor (30 days);
- ii. Old and pending patient files during the period of the contract (90 days);
- iii. Copies of Criteria, Policies and Procedures, and Provider Manual (30 days); and
- iv. Copies of denied files and files pending reconsideration or appeal.

In consideration of the District's minimum need, Delmarva is the current contractor with the expertise, to properly provide transition services required to ensure the proper transfer of services. Delmarva has the capabilities to continue the current services for the District Medicaid Fee-for-Service beneficiaries while transition of services is in operation. Delmarva has access to the District's Medicaid Management Information System (MMIS) patient information to complete authorizations, current Policies and Procedures for the prior

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authorization of medical services and adverse decision information to testify if needed at fair hearings if scheduled during the transition period. Delmarva has processes in place for providers to submit Forms and Documentations (719A Forms) to obtain a determination for requested medical services.

Because of the transition requirements listed above:

- A. Delmarva is the only vendor that can provide immediate service in order to ensure that Medicaid beneficiaries receive timely and medically necessary services without interruption while the District completes award of a competitive procurement. DCHF also requires continuity of performance until selection is made from the competitive procurement and for the ninety (90) day transition period after award.
- B. Delmarva is the only contractor that has immediate access to the District's MMIS patient information to complete authorizations, current Policies and Procedures for the prior authorization of medical services and adverse decision information to testify if needed at fair hearings as scheduled for each month. Delmarva has processes in place for providers to submit Forms and Documentations (719A Forms) to obtain a determination for requested medical services.

**5. CERTIFICATION BY AGENCY DIRECTOR:**

I hereby certify that the above findings are true, correct and complete to the best of my knowledge and belief.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Wayne Turnage, Director  
Department of Health Care Finance

**6. CERTIFICATION BY THE CONTRACTING OFFICER:**

Based on the findings, I hereby determine Delmarva Foundation for Medical Care, Inc., shall be responsible and capable of satisfactorily conducting utilization reviews and quality improvement activities for the District's Fee-for-Service Medicaid Program under the Proposed Sole Source Contract. I have reviewed the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify that the notice of intent to award a sole source contract was published in accordance with D.C. Official Code §2-354.04. Delmarva is the only vendor at this time that can perform immediately the critical services while the District has re-procured the services evaluated the proposals, and

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awarded a new contract. To allow time for the transition services, I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

\_\_\_\_\_  
Date

\_\_\_\_\_  
O'Linda Fuller, MBA, CASA  
Contracting Officer

### **DETERMINATION**

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under D.C. Official Code § 2-354.04. Accordingly, I determine that the District is justified in awarding the Sole Source contract to Delmarva.

\_\_\_\_\_  
Date

\_\_\_\_\_  
James D. Staton Jr.  
Chief Procurement Officer